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CONSUMER ADVOCATE DIVISION
STATE OF WEST VIRGINIA
PUBLIC SERVICE COMMISSION
7th Floor, Union Building
723 Kanawha Boulevard, East
Charleston, West Virginia 25301
(304) 558-0526
November 4, 1998

Magalie Roman Salas
Secretary
Federal Communications Commission
Room 222
1919 M Street, NW
Washington, DC 20554

RE: Joint Board on Universal Service, FCC Docket No. 96-45
Ex Parte Submission

Dear Ms. Salas:

I had the honor to appear at the Commission's En Banc proceeding in the above-styled and numbered proceeding on October 29, 1998. Following my presentation, comments from members of the staff of the Joint Board indicated that two points raised in my responses may have been unclear. In order that there be no confusion concerning my positions on these important issues, I offer clarification on the following two points as an *ex parte* submission:

1. Sufficiency of federal universal service funding. Some members of the staff indicated that I had created the impression that West Virginia did not need federal universal service funding. This is incorrect. West Virginia currently receives a total of \$19.5 million in federal universal support: \$15.4 million in high cost support, \$1.2 million in long term support, and \$2.9 million in DEM weighting. Continuation of this level of support is necessary in order to maintain affordable rates in West Virginia. This is true for virtually every other state as well. As I stated on page 3 of my written comments: "The Commission should ensure that states continue to receive at least the level of federal universal support they currently receive.... ." As I also stated on page 3 of my comments: "If additional federal support is needed after competition actually begins at the local level, the issue can be addressed at that time with the benefit of actual data." I should note that my comments did not address the issue of comparability and whether additional federal universal service funding for West Virginia may be necessary in order to achieve "...rates that are reasonably comparable to rates charged for similar services in urban areas..." as required by Section 254(b)(3) of the Telecommunications Act of 1996.

2. Level of basic local rates in West Virginia. Staff members also indicated that in responding to a question from Chairman Wood of the Texas Public Utilities Commission I had

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created the impression that basic local rates in West Virginia were low. My recollection is that Chairman Wood had asked how cheaply a customer could get phone service in West Virginia, and I had replied \$9.50 a month, including the subscriber line charge. I also made clear that this rate only provided access to the network and did not include any usage. I then proceeded to list the other available residential rate levels.

In order for the record to be clear, I will again describe the residential rate plans available to customers in West Virginia. The local calling area of each exchange is defined to include the calling areas of all wire centers (exchanges) within a 22 mile radius of the wire center of the caller's home exchange. This large local calling area ensures that virtually every call from within a county to a county seat is a local call.¹ Because West Virginia has had full measured local service since 1980, local rate options are based on the amount of measured and flat rate service within the local calling area a customers wishes to buy. Set forth below are the applicable residential rate plans, a short description of each, and the approximate percentage of customers subscribed to each plan.

<u>Plan</u>	<u>Rate</u>	<u>SLC</u>	<u>Total</u>	<u>Subscribership</u>	<u>Description</u>
1. Thrifty Caller	\$ 6.00	\$3.50	\$ 9.50	15%	All calls within local calling area measured
2. Community Caller	\$15.00	\$3.50	\$18.50	25%	All calls to home exchange flat; calls to surrounding exchanges measured
3. Community Plus	\$22.00	\$3.50	\$25.50	53%	All calls to home exchange and immediately surrounding exchanges flat; calls to all others measured
4. Frequent Caller	\$29.00	\$3.50	\$32.50	7%	All calls flat rate

Usage rates for measured service during peak periods (9 a.m. to 9 p.m. Monday through Friday) are as follows:

<u>Distance Band</u>	<u>1st Minute</u>	<u>All additional</u>
1. Own exchange	4.3¢	2.8¢
2. 1-10 miles	5.2¢	3.4¢
3. 11-16 miles	6.0¢	4.0¢
4. 17-22 miles	6.9¢	4.6¢
5. 23-30 miles	8.6¢	5.7¢

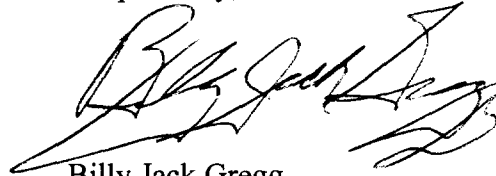
Rates for measured usage during off-peak periods (9 p.m. to 9 a.m. Monday through Friday and all day Saturday and Sunday) are discounted 70%. I should point out that residential rates in West Virginia have historically been considered high. The latest FCC biennial survey of

¹The only exceptions to this rule are two counties which are divided by a LATA boundary.

local rates lists West Virginia rates as \$27.68,² the second highest in the nation. This compares to a national average basic rate of \$19.92 per month.

Thank you for allowing me to clarify the record on these issues. I have sent copies of this submission to members and staff of the Joint Board.

Respectfully,

A handwritten signature in black ink, appearing to read "Billy Jack Gregg", written in a cursive style.

Billy Jack Gregg
Director

²The FCC survey includes basic rate, the SLC, E-911 surcharges and applicable taxes, such as the federal excise tax. The rate listed on the FCC survey for Huntington, West Virginia, is apparently based on the Community Plus rate of \$22 per month.